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RUEHC/SECSTATE WASHDC PRIORITY 2874
INFO RUEHWR/AMEMBASSY WARSAW 0515

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SIPDIS

SENSITIVE
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DEPARTMENT FOR EUR/NCE AND EB
TREASURY FOR XAA HENRY LOUIE AND XLI JESSE EGERT

E.O. 12958: N/A
TAGS: [EFIN](#) [PREL](#) [HU](#)
SUBJECT: FINANCE MINISTER GETS THE MESSAGE ON TAX TREATY

REF: BUDAPEST 430

[1](#)1. (SBU) In a meeting with Ambassador Foley April 29 (other issues septel), Finance Minister Janos Veres underscored his commitment to expediting resolution of the outstanding issues in our bilateral tax treaty (REFTEL).

[1](#)2. (SBU) Veres confirmed that the GoH will be prepared to resume negotiations on July 7, adding that his Ministry will be ready to continue "into the summer" as necessary.

[1](#)3. (SBU) If reaching "overall agreement" on the text of the entire agreement appears to be too time-consuming, Veres proposed as a potential compromise that both sides be prepared to consider a "separate protocol" to address the specific issues of tax avoidance and limitation of benefits. Veres recognized our deadline and acknowledged that "these are the key points," suggesting that both sides keep this prospect as "Plan B" for now but leave the option open for reconsideration as necessary in August or September.

Foley